

## Environmental Water Account (EWA)

The intent of the EWA is to provide flexibility in achieving environmental benefits in the most efficient manner, while providing certainty (ESA and other regulatory assurances) to water users and continuous improvement to water supply reliability and water quality benefits.

Evaluation of several EWA options produced the following conclusions:

- The EWA could be more effective in reducing fish entrainment at the south Delta pumping plants than prescriptive standards. For a given level of protection, the EWA could allow more exports than prescriptive standards.
- The EWA would be more effective with a greater amount and diversity of assets.
- Together the Delta and Upstream actions would provide aggregate benefits greater than the sum of individual benefits, with the same or lesser water costs.
- Application of the EWA could provide incidental benefits to water supply and export water quality.
- Various assets (e.g., surface water storage south of the Delta) provided greater value than others.

To Develop the EWA, decisions must be made in the following areas;

- **Default operating requirements.** The flow, water quality, diversion, and storage rules that will govern operations in the absence of an EWA. A key issue will be the form of the relationship between b(2) water management program of the CVPIA and the EWA.
- **Relationship between the EWA and the State and federal projects.** A large percentage of EWA actions will affect or utilize State and federal facilities. The relationship between EWA and the Projects should, therefore, be spelled out in detail. What rights and priorities does the EWA have to use Project facilities, to access surplus capacity, and how will the cost of EWA operations be calculated?
- **Stage 1 assets and how are they divided between the EWA and the water users.** Assets are physical, institutional, and financial mechanisms for modifying water operations. Possible assets include: (1) rights to a share of allowable diversions; (2) rights to a share of conveyance capacity; (3) rights to a share of storage capacity; (4) the right to grant variances to operating requirements; and (5) contracts for water deliveries or purchases.
- **Relationship to ESA and CVPIA agencies.** The governance of the EWA will be heavily determined by the EWA's role within the broader CALFED solution. Is the primary goal of the EWA to enhance general ecosystem conditions and processes, and/or is the primary goal to protect and enhance endangered species? Will the EWA be required to find replacement water for some or all ESA actions?
- **Decision Making.** The responsibility for decision making needs to be assigned to existing or new entity with some specific ground rules as to how decisions are to be made and for coordination with other agencies and stakeholders.
- **Financing.** The EWA must have a reliable revenue stream. Sources and form of distribution will be defined and developed prior to implementation. How will that revenue be provided? Who will provide the revenue?

An **EWA Development Team** consisting of CALFED Policy and stakeholder representatives

is being formed to address these decisions and develop proposals for EWA agreement by December of this year. This team will develop the information needed for decision making on the mix and size of assets, governing rules, possibilities of use, potential contracts, and finance. Ensuring coordination with the ERP, CVPIA , b(2) and other programs is an important function of this team.

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